providing TV signals direct to subscribers subject to licensing and security requirements and conformity with broadcasting codes.

Civil Aviation

40% FDI is permitted in domestic airline sector subject to the condition that no direct/Indirect equity participation by foreign airlines. For airports, FDI up to 100% is permitted, with FDI above 74% requiring prior approval of the Government.

Further liberalisation of FDI policy in these sectors shall depend on the recommendations of the GoM. As per extant FDI policy, there is no restriction on dividend repatriation.

Valuation of VSNL

*25. SHRI ABANI ROY: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether Government's attention has been drawn to the newsitem captioned "VSNL's worth down by Rs.20,000 Cr." which appeared in the Times of India dated the 17th June, 2001;

(b) if so, whether the Chief of the VSNL has pointed out that the valuation of VSNL was thrown off the rails even before the privatisation process began in full swing;

(c) if so, whether Government propose to get the matter investigated through an independent agency; and

(d) if so, the details thereof?

THE MINISTER OF COMMUNICATIONS (SHRI RAM VILAS PASWAN): (a) Yes, Sir.

(b) to (d) the question of advancing the date of withdrawal of monopoly of VSNL from 1.4.2004 to 1.4.2002 was a matter of public debate and it was discussed in various fora. It is in this context that CMD, VSNL had written to the Government regarding the decline of share price of VSNL. However, it was in September, 2000 that the Government took a decision on the actual advancing of the date of withdrawal of monopoly, after working out a suitable compensation package and the decision was announced. There was, thus, no

leakage of the decision of the Government, as alleged in the newspaper report referred to in the question.

Further, according to available information, it appears that there was a sharp decline in the share value of almost all the Indian Technology Companies during March to May, 2000 as reflected in the Bombay Stock Exchange Information Technology Index. This general trend of the Indian Capital Market in Technology Sector would have also influenced the fall in share price of VSNL during that period.

Share of States in taxes collected from service sector

*26. SHRI SOLIPETA RAMACHANDRA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether State Governments have requested to pay them shares from taxes collected in the service sector as they were providing all infrastructure; and

(b) if so, what is Government's reaction thereto?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) Net proceeds of Service Tax are shareable with the States in terms of the recommendations of the Eleventh Finance Commission. However, State of Jammu and Kashmir is not entitled to a share in the Service Tax as this tax is not leviable in that State.

Revival of Industrial Finance Corporation of India

*27. SHRI A. VIJAYA RAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Industrial Finance Corporation of India is having financial stringencies;

(b) whether it is also a fact that the D. Basu Committee has recommended to infuse Rs.400 crore as part of revival strategy; and

(c) if so, what is Government's decision in this regard?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) Yes, Sir.

(c) The matter is under examination and consideration of the Government.